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## Efforts of the Manual Laboring Class to Better Their Condition.

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Opening Address at Second Annual Meeting of the American Economic Association in Boston, May 21, 1888, by the President, General  
Francis A. Walker.

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The intensity which the great debate regarding the so-called "relations of labor and capital" has acquired during the past year, seems to me almost to demand that at this, the first general meeting of the American Economic Association held since its organization in 1885, a subject of such great and pressing importance should receive more consideration than has been assigned it in the programme of papers to be read during our session; and I have, therefore, decided to take for my theme "Efforts of the Manual Laboring Class to Better their Condition."

From no other point could we obtain an equally impressive view of the progress which has been made in economic thought during the past twenty-five years. At the beginning of that period, the accepted philosophy of the subject, both in England and America, declared that the manual laboring class were not called upon to make any efforts for themselves in order to secure their just distributive share of the product of industry. It was then held by all economists of reputation in either country, that the competition of employers among themselves

for the profits of employment amply sufficed to fix the rate of wages as high as it could be maintained without an injurious reaction. The laborer was not called upon to seek his interest; his interest would seek him and would find him. Even unfair methods and a grasping spirit on the part of employers could not, in the long result, impair the remuneration of labor.

“Unless,” said Prof. John E. Cairnes, having in view the forcing down of wages by a combination of employers, “unless we are to suppose the character of a large section of a community to be suddenly changed in a leading attribute, the wealth so withdrawn from wages would, in the end and before long, be restored to wages. The same motives which led to its investment would lead to its reinvestment; and, once reinvested, the interests of those concerned would cause it to be distributed amongst the several elements of capital in the same proportions as before. In this way covetousness is held in check by covetousness, and the desire for aggrandizement sets limits to its own gratification.”

“If, in the division between profits and wages,” said Prof. Perry, “at the end of any industrial cycle profits get more than their due share, those very profits will wish to become capital, and will thus become an extra demand for labor, and the next wages fund will be larger than the last.” And the same economist wrote elsewhere: “If capital gets a relatively too large reward, nothing can interrupt the tendency that labor shall get, in consequence of that, a larger reward the next time. If capital takes an undue advantage of labor at any point, as unfortunately it sometimes does, somebody, at some

other point, has, in consequence of that, a stronger desire to employ laborers ; and so the wrong tends to right itself."

While, thus, the action of competition among the employing classes themselves, for the profits of employment, was certain, even in spite of a grasping spirit and unfair methods, to yield the highest rate of wages which the existing conditions of industry would allow to be paid, distinct efforts on the part of the laboring class to secure a larger share of the product, could, at the best, only be nugatory, and would be more than likely to prove mischievous.

How great the change in economic opinion ! To-day, few economists of reputation would deny that the laboring class have as real, as large, as vital a part to perform in securing a just and beneficial distribution of the product of industry, as the employing class. It is seen and admitted, that competition must be imperfect, and, by consequence, injurious, unless the laborers, on their side, are as alert, active and, in the primary sense of that term, as aggressive, in pursuing their economic interests, as the old theories of distribution assumed that the employing class would be. It is seen and admitted that, if the workman does not seek his interest, not only will he, in a degree, lose his interest, but, through his failure to receive all the economic good which might with proper effort have been brought to him, immediate injuries, tending to become permanent, not only may conceivably, but certainly will, be inflicted upon the whole industrial body. It is seen that it is for the interest, the particular, selfish interest of the employing class themselves, that, in all their dealings with the questions of work

and wages, alike in large matters and in small, they should have to do with men who are acute and alert in seeking out opportunities for their own industrial improvement, with men who are persistent and courageous in following up every possible industrial advantage, when once it has been rightly discerned; that they should have to do, not with men who have no opinion for themselves, what they ought to receive, and who humbly and thankfully take that which may be given, but with men who, not less as laborers than as citizens, shall know their rights and, knowing, dare maintain.

In a word, we have recently passed through a change in economic opinion equally important with, and indeed closely analogous to, that great change in political opinion, which began more than a hundred years ago, and which was accomplished, not without trouble and turmoil, not till after great waste and hideous losses, about the middle of this century. Under the old régime, the accepted philosophy of government declared that certain privileged persons and classes were the natural and proper guardians of the mass of the people; that the interests of all, rich and poor, high and low, were so bound up together that if one member suffered the others must suffer with it; that, inasmuch as the state could only be wealthy and strong through the prosperity of all, there was in this a sufficient guaranty against abuse and neglect of the lower classes on the part of the higher, and that, under these conditions, all authority might, not only safely but advantageously, be lodged with that part of the community which had the most leisure and aptitude for government, in which resided the highest intelligence, the widest culture, the strongest instincts of command.

It is not necessary to recite the arguments from reason or the blows from force by which "we have changed all this" in the domain of politics. It is now universally seen and admitted that there is no security against tyranny, save in the power and disposition to resist and resent tyranny; that the masses of the people are the only proper and safe guardians of their own interests; that it is just as truly and just as much for the welfare of the upper classes as of the lower classes themselves, that the latter should be bold and resolute, quick to see their interests, prompt to assert them, persistent in maintaining them.

In economic opinion the change, may I not say the revolution? began much later; but it has been carried through at once more rapidly and more peacefully: first, because the other revolution had already been effected, preparing the way for this; and, secondly, because of the greater volume and force of entirely disinterested sentiment operating in the later case.

It would scarcely be conceivable to-day that an economist of learning and reputation should gravely argue that the employer is, in effect, a trustee of the laborer's wages, and that it really does not matter whether, in any given time and place, he pays the laborer more or pays him less, since by as much as the employer may under-pay the laborer in any instance, by so much will he certainly and indefeasibly over-pay him in some subsequent instance. The economists now see, what the workmen long ago saw, that each man is the natural trustee of his own earnings, and that these are only safe when paid into his own hands.

This change in economic opinion did not come all at once. Its first manifestation was perhaps in 1864, when Prof. Fawcett, regarding whom a distinguished English economist wrote me, at the time of his lamented death, that one-half of his actual intimate daily companions were laboring men, announced at Cambridge his conviction that, while the rate of wages was, in ordinary times, determined altogether irrespective of the efforts of the working classes to secure their own interests, yet, in transitional periods, when rapid alterations of industrial conditions were taking place, combinations of laborers might be effectual to win some portion of what would otherwise go in enhanced and excessive profits. That change of opinion has proceeded to the present time when, as previously stated, it is fully recognized that the self-assertion of the laboring class importantly contributes to the equitable and beneficial distribution of wealth; and that such self-assertion, within proper limits and by proper agencies, is not more for the interest of the laboring class than of the employing class, or of the community as a whole.

Inasmuch as so short a period has elapsed since there was a general consent of economic opinion that all distinct efforts of the laboring class, directed to the advancement of their own interests, must at the best be useless, and might and probably would become mischievous, it is not at all surprising that wide differences in belief should still exist as to the limits within which such efforts should be confined and as to the agencies by which they should be conducted. Even were scholars only concerned, it would necessarily take much time to educe the full philosophy of such a subject; to give to powerful agencies, so

recently for the first time recognized, their due place and mode of working, that they should do only good and not also harm, or even that they should, in the immediate instance, do more good than harm. When the problem is, not to secure agreement among a body of scholars as to the limits within which such agencies may safely and advantageously operate, but to instruct and educate the whole mass of the laboring population so that they shall use formidable powers, of which they have so lately become fully conscious, without feeling prompted to abuse them, even under the stress of seeming interest, even under the excitements of passion, even under the seductions of demagogues and professional agitators, it would be altogether marvelous if so short a period should have sufficed for so great a work.

In addition to the grave inherent difficulties attendant on the use of the now well-recognized agencies of the trade-union and the strike, the industrial situation has been greatly complicated during the past two or three years by the sudden introduction into the field of controversy of two most formidable agencies, the Boycott and the general confederation of trade-unions under the title Knights of Labor. This it, immediately, is that has created that tremendous turmoil, which to many seems to presage universal industrial anarchy. The arming of the laboring class with these weapons has at the same time increased their power of doing mischief and excited a spirit of restiveness, and even of aggressiveness, never before known. That much evil will not in the first instance be done by the reckless, irresponsible and even wanton use of these new powers, it would be puerile to expect. Those who doubt that



the laboring class will, later or sooner, after more or less injury to themselves and to the commercial and industrial system, either discard these formidable weapons, or learn to handle them without suffering or doing mischief, have less faith in popular intelligence and public virtue than befits the citizens of a free government.

I have said that the immediate cause of the unprecedented labor troubles during the past two or three years has been the invention of certain new and formidable weapons of industrial warfare. The primary cause, however, is to be found, as I am disposed to believe, in the great advances which of late have been made in the condition of the laboring class. It is, of course, the way of the labor orators and the labor press to speak of the recent strikes as the revolt of down-trodden and suffering masses; as due to hardships and indignities which manhood could no longer bear. As a matter of indisputable fact these strikes have not proceeded from the least, but from the most fortunate portion of the working population. It has not been common, but skilled labor that has been concerned. It has not been hopeless misery, but growing ambition which has prompted nearly all the demands which it has been sought to enforce by the last resort. Not the bare necessities or decencies of life, but comfort and enjoyment and opportunities for social improvement have been involved. The strikers of the past two years have, as a rule, been those who were already receiving wages far above the average of the population.

And it has largely been for this reason, viz.: because of their comparative prosperity, that they have become so confident of their ability to wrest a still

larger share of the product of industry. The gain they have already realized has in part been due to more favorable material conditions of existence, to the discovery of new resources and powers in nature, and to advances in the arts of production and transportation; in part, also, to the social movement of the age, in which all classes have in a greater or less degree shared; in part it may have been obtained at the expense of unorganized labor and of the agricultural population; much, also, unquestionably has been the result of the more active and aggressive pursuit of their interests by the organized working class.

That this last part of the total effect should be exaggerated, and that laborers should attribute all, or nearly all, of what they have gained to their own efforts is not unnatural, nor is it strange that they look to the same course for further good to themselves.

It is idle for any one to say that the working classes have, indeed, accomplished much for themselves by their combined efforts in the past, but that we have now reached the industrial stage when nothing more is to be expected from this source, and laborers should, therefore, rest content with what they have already won. No living man knows enough of the conditions of industry to justify him in asserting anything like this; but it seems to me that the expectations of the body of laborers, at least if we can trust to the expressions of their organs and orators, have become so exaggerated, and the interpretation which they place upon the success attained in the past is so far strained or false, as to make it probable that large bodies of working men in different parts of our country will

have to sustain some very severe and distressing rebuffs, defeats, and losses, in conflicts with the employing class, before they will learn the proper limits within which they may seek to enforce further demands for diminished time and enhanced wages; before they will come to appreciate the very close and stringent restrictions which nature has placed upon the remuneration of human labor. Many of those who profess to speak for the working classes, and in turn to instruct them as to their rights and interests, are now talking as if the sole reason why the body of laborers have made advances in the past has been because they have enforced demands by united action, and as if the only requisite for the concession of any claim they may be disposed to make in the future, will be unfaltering persistence. Ideas like these will be found as pernicious as they are false; and if the very large amount of talk of this sort now indulged in by the labor press and labor agitators means that those who control the course of labor organizations really entertain such wild notions, there is a great deal of misery in store for the masses whom they are thus misleading.

There never has been an advance of wages or an improvement in the conditions of labor for which a sound and sufficient reason of a purely economic character did not at the time and in the place exist. If on any occasion laborers have received more wages for the same work, or the same wages for a shorter day, and have enjoyed this gain without a subsequent reaction to their more than proportional loss and injury, it has been, not because the workmen themselves desired this; not even because they needed it most painfully and pitifully; not because sentiment-

talists and philanthropists yearned for it on their account; not because the demand was enforced by united action, carried to a point which threatened the employers with loss or, perhaps, ruin; but it has been for the reason that the conditions of production and trade allowed such concessions to be made without impairing the disposition to accumulate capital for industrial uses, and without cutting to the quick into the profits of business, which, under the existing organization of industry, constitute the sole motive to the production of wealth. Where these conditions are met the urgent, persistent demands of the laboring class, as well as the active sympathy of the general community, will undoubtedly help to secure, if, indeed, they are not essential to securing advantages which might otherwise be withheld. Where these conditions are not met, demands for increasing wages or shortening the term of labor will either be refused by the employing class, or if enforced by united action under circumstances which compel an immediate compliance, they will be granted, in the given time and place, only at the cost of the general community, and in especial of the laboring class, first of all, last of all, and most of all.

The part which laborers are, under modern conditions, called to perform in influencing the distribution of the product of industry, is not a part in which they are to do whatever is agreeable to themselves, without careful consideration of the rights and interests of others, and without direct responsibility for the effects of wrongful and injudicious action. It is just as fully true that there are no industrial rights without corresponding duties as it is that there are no political rights without corresponding duties.

In the industrial republic, as in the political republic, power comes to the masses accompanied by the gravest responsibilities, and in one as in the other the abuse or the wanton exercise of power will inflict its worst injuries upon the humblest members of the community. In either republic instruction as to the duties and responsibilities of citizenship is more needed than instruction as to the right and powers of citizenship. Certainly during the past few years there has been much more thought of the latter than of the former among those who assume to promote the interests of the laboring class; yet nothing could be more prejudicial to those interests, when rightly viewed, than that the impression should be created among the body of working men that there is anything they can take without giving its fair and full equivalent; that they can use the immense force which resides in concerted action without direct and immediate accountability for every injury which may be inflicted thereby upon production and trade; that they can harass employers by incessant demands, extort undue concessions, and render it unsafe to undertake contracts, involving large expenditures extending over considerable periods of time, without in the result suffering far more evil than they can possibly inflict upon the employing or the capitalist class. Emphatically it is true in industrial warfare, that they who take the sword shall perish by the sword, and those are only enemies of the working classes who incite them to take up arms in a light quarrel, or, in any cause, without counting well and carefully the cost.

Such and so grave are the responsibilities which attend all efforts of the laboring classes to improve

their own economic condition through concert and combination. They constitute no reason why such efforts should not for a sufficient cause and in a clear case be made, but they render imperative the requirement of prudence, conservatism, and the utmost exercise of the spirit of fairness, courtesy, and conciliation. For one I have great confidence in the good sense and good temper of the American people, whether in dealing with the difficult problems of their political life, or in dealing with the problems, fast becoming even more intricate and complicated, of their industrial life. It is not like an American to persist in unreasonable demands, to require the brutal demonstration of complete defeat and exhaustion of resources before retiring from a contest that should not have been joined, or to use violence and rudeness in overbearing competition and lawful antagonism. An American has not pleasure, but pain, in the cessation of industry, in loss of time, in motionless machinery; while the wrecking of wealth, which has been created to serve human uses, outrages every sensibility of this eminently constructive animal. Nor in vain have our people for generations been endowed with the franchise and invited to the discussion and decision of public questions. Their political experiences have afforded them not a little economic education, no slight preparation and training for the important part they are called to perform in effecting an equitable and beneficial distribution of the product of industry. The ordinary American can be reasoned with, and that not on a low plane only. He is capable of understanding and appreciating almost any consideration relating to the factory or the market which his employer may have occasion

to adduce. His spirit is that of civility, reciprocity, and fair play. He intelligently and cordially accepts, in its full economic bearing, the maxim "live and let live."

But the problem is not allowed to remain as simple as it would be with a population all of this character. More, even, than our political situation, has our industrial situation been complicated by the accession of millions of laborers, born in distant lands, bred under other institutions, breathing a different spirit, and, by just the degree of that difference, less prepared to use without abuse the power wielded by organized labor. On this point I propose to speak with the utmost frankness. The matter is one of vital importance to our peace and prosperity.

No one can have carefully observed the developments of the past year or two years without becoming aware that a part so large that it may fairly be called the whole of those violent and reckless attacks upon production and transportation which have shocked the industrial system, and have come near to producing a general crisis of trade, have proceeded from the foreign elements of our population.

I do not assert that all or the larger part of our adopted citizens have joined in or sympathized with those movements. On the contrary, much that is of the best in our political and physical character has come from abroad; while the great majority of immigrants into the United States, even since the war, have shown marvelous aptitudes for our modes of life, an active sympathy with the prevailing spirit and temper of our people, a cheerful readiness to submit to the conditions under which alone free government and popular initiative can be long sustained,

an honorable eagerness to find and keep a place where they might both get good and do good, in the political, social and industrial order.

But no one can have failed to notice that, in the frightfully accelerated immigration of the past few years, there is not only an increasing number but an increasing proportion of those who come to us, largely from countries which have only recently attained importance upon the passenger lists of our ocean steamers, with a spirit and temper which is not only hostile to our political institutions, but which at once and inevitably introduces into the relations of employer and employed a rudeness, savagery and insolence to which trade and production will not submit.

These men, if one may judge from their actions, do not purpose to give as well as take, to live and, also, let live; they show no sense of the responsibility under which the powers they find put into their hands are to be exercised; they know no measure for their demands, and make little reserve as to the methods by which they seek to enforce those demands.

Such a spirit and temper, introduced, it may almost literally be said, for the first time into American industry, has already done vast and far-reaching injury to society, and now menaces us with even graver evils. The correctness of this explanation of our recent labor troubles cannot be gainsaid. Whether among the freight handlers of New York, or among the operatives of the coal and iron districts of New Jersey, Pennsylvania and Ohio, or among the railroad employés of the West and South west, those who have initiated measures intended forcibly to arrest the movements of production and transpor-



tation, and have carried these to extremes subversive of the general interest and even threatening the existence of society itself, have not been men born on our soil, bred under our laws and trained in our schools. Such movements may, here and there, have found native leaders, whose superior education and political training gave them influence over the inflamed masses of labor; but the force and impulse of these attacks upon social interests, and even upon society itself, has been of foreign derivation; while every out-break of violence which has accompanied the labor troubles of the last two years, whether in Chicago, or St. Louis, or at Rock Springs, has uniformly been characterized by the almost, if not altogether, complete absence of participants of native birth. In the atrocious assault upon the Chinese, which occurred at the last-mentioned place in the year 1885, in which nearly fifty unoffending persons lost their lives, it was ascertained that not one man born upon our soil was engaged.

It is not a matter of surprise, perhaps not altogether a matter of blame, that men reared under institutions of pure force, many of them bred in an atmosphere of conspiracy, cherishing traditions of political injustice, perhaps inheriting bitter hatred of law and government, at the best untrained in political action and unaccustomed to the responsibilities of citizenship, should exhibit less of self-control and of respect for the rights of others, than characterizes the conduct of our own people. But no feeling of sympathy toward the oppressed or unfortunate of other lands, no sentiment of hospitality toward those who have newly come among us, requires that Americans should permit their own

proper interests to be seriously impaired, much less, the peace and good order of the community to be endangered, by alien elements. I should be as far as any one from desiring the revival of proscriptive Know-nothingism; but I believe the full time has come for Americans to assert themselves against those who come into our land to trouble it; who create turmoil for no good reason; who agitate and distract industry with needless alarms and wanton attacks; and who pervert the bountiful privileges of our citizenship by a spirit and by methods which can only find excuse when employed against hereditary privilege and arbitrary power.

This is not a case where the better elements of society have no means of redress or self-defence. It will not be necessary to change the prescriptions or presumptions of our laws. It will only be needful that public sentiment should be fully aroused to the evils inflicted upon society and industry by the wanton and reckless proceedings which have characterized the past few years; that the body of fair-minded and well-disposed laborers should realize that these things are done to their hurt and loss; that sentimentalists and philanthropists should refrain from holding out expectations of economic benefits impossible to be realized under the hard conditions of human existence; that the press should cease to greet every fresh demand for higher wages or fewer hours of work as being presumptively right, instead of being a matter for close scrutiny, careful deliberation, courteous debate and judicial determination; that timid or time-serving magistrates should be braced up by public opinion to protect every citizen in his right to labor when and

where he pleases, in whatever avocation, for whatever employer and on whatever terms he may individually choose.

Given only these conditions, which are no more than we have a right to expect from the good sense of our own people, when once the evil effects of recent courses shall come to be fully appreciated, we shall have no more instances of tens of thousands of workmen dragged by force or threats into contests in which they have no interest, and which their own judgment and temper render distasteful; no more instances of violent hands laid on the throat of the social organism, in attempts to arrest the whole movement of production, and to wreck the machinery of transportation, of which all have equal need and in which all have equal rights; no more instances of large districts forcibly deprived of the necessities of life, of the commerce of the nation laid under a lawless embargo, of great cities threatened with darkness, riot and pillage in the name of struggling labor.

For one, I firmly believe, that the boycott will disappear as suddenly as it of late appeared, condemned not less by public sentiment than by law, as unfair, unjust and mischievous, the proper tool of malice only, a weapon not needed for any legitimate purpose of society.

The future of the remarkable movement to supersede trade-unions by a general confederation of the workmen of all trades and of all sections, under highly concentrated and centralized authority, I shall not undertake to predict. It is conceivable that such an organization might become a great educational force, a useful agency for directing the legitimate

efforts of laborers of the several sections and trades of the country towards the improvement of their condition; a source of much inspiration, through the deliberations and debates of earnest men representing the better sense and higher purposes of vast bodies of laborers who are, in the main, right-minded, honest, and patriotic.

Nor is it fair, nor is it worthy of any thinker or scholar, to attribute to essential vices in such a scheme the mistakes, errors, and follies hardly separable from the beginnings of so great and wide-reaching an enterprise. Tried by such a test free government itself was once pronounced a failure.

But I cannot conceal my conviction that the attempt to embrace so much within the sway of any human authority; to legislate in detail for so many conflicting interests; to cover with any single rule conditions of life and labor so widely diverse as those of city and country, of east and west, of agriculturist and artizan, of common and skilled labor, will inevitably result in failure. The restiveness shown by many of the trade-unions, the open revolt in some cases, already intimate the weakness of the scheme, if it is to be administered in the masterful spirit of the past two years.

Whether the organization known as the Knights of Labor is to break up in a general insurrection of its constituent members; or is to lapse into "an innocuous desuetude," relinquishing to the trade-unions their former authority over their own members, retaining for itself but the shadow of the name; or is to take on a form and assume functions compatible with industrial peace and with the steady and even progress of trade and production, will depend some-

what upon the wisdom of those who have come, almost adventitiously, into possession of the vast powers which that organization now wields, but will be mainly determined by the good sense and good feeling of the whole American people when fully aroused by the issue thus presented to our industrial life.